



# COUNTY OF LOS ANGELES

## DEPARTMENT OF PUBLIC WORKS

*"To Enrich Lives Through Effective and Caring Service"*

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ALHAMBRA, CALIFORNIA 91803-1331  
Telephone: (626) 458-5100  
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**GAIL FARBER, Director**

ADDRESS ALL CORRESPONDENCE TO:  
P.O. BOX 1460  
ALHAMBRA, CALIFORNIA 91802-1460

April 06, 2010

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

# ADOPTED

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

#21 APRIL 6, 2010

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

Dear Supervisors:

**AWARD OF A PUBLIC WORKS CONSTRUCTION CONTRACT  
REHABILITATION SANITARY SEWERS  
ACCUMULATIVE CAPITAL OUTLAY, PROJECT NO. 116  
HUMPHREY AVENUE, ET AL.  
IN THE UNINCORPORATED COMMUNITY OF EAST LOS ANGELES  
(SUPERVISORIAL DISTRICT 1)  
(3 VOTES)**

### **SUBJECT**

This action is to find the apparent lowest bid nonresponsive for the contractor's failure to hold a State contractor's license and submit an executed bid bond at time of bid; award a public works construction contract for Accumulative Capital Outlay, Project No. 116, Humphrey Avenue, et al., sanitary sewers rehabilitation, to the contractor with the second lowest bid; and authorize the Director of Public Works or her designee to execute the contract for work in the unincorporated community of East Los Angeles.

### **IT IS RECOMMENDED THAT YOUR BOARD:**

1. Find the apparent lowest bid submitted by Saeico, Inc., nonresponsive for failure to hold a State contractor's license pursuant to State Business and Professions Code, Section 7028.15, and not submitting an executed bid bond pursuant to State Public Contract Code, Section 20413, at the time of bid.
2. Award a construction contract to RePipe-California, Inc., the contractor with the second lowest responsive bid, in the amount of \$174,265.50, for Project ID No. SMDACO0116 - Accumulative Capital Outlay, Project No. 116, Humphrey Avenue, et al., to rehabilitate sanitary sewers, in the

unincorporated community of East Los Angeles, and authorize the Director of Public Works or her designee to execute the construction contract in the form previously approved by County Counsel and establish the effective date following receipt of approved Faithful Performance and Labor and Material bonds filed by the contractor.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of the recommended action is for the County of Los Angeles Board of Supervisors (Board) to find the lowest bid nonresponsive; award a construction contract to RePipe-California, Inc., the contractor with the second lowest bid; and authorize the Director of Public Works or her designee to execute the contract and establish the effective date following receipt of approved Faithful Performance and Labor and Material bonds and insurance filed by the contractor for this project.

On January 12, 2010, Agenda Item 41, your Board approved the project, adopted the plans and specifications, called for bids to be received on February 9, 2010, and instructed the Executive Officer of the Board to advertise the project.

On February 9, 2010, five bids were opened, and the apparent lowest bid was from Saeico, Inc., in the amount of \$170,998. However, at time of bid submittal, Saeico, Inc., did not hold a State contractor's license or submit an executed bid bond.

In accordance with State Business and Professions Code, Section 7028.15, and State Public Contract Code, Section 20413, the bid specifications for this project require a contractor to be properly licensed and submit an executed bid bond at the time of bid. The Department of Public Works (Public Works) has determined that Saeico, Inc., does not possess a State contractor's license and failed to submit an executed bid bond at the time of bid. Accordingly, the bid of Saeico, Inc., should be considered nonresponsive and the contract should be awarded to RePipe-California, Inc., the contractor with the second lowest responsive bid in the amount of \$174,265.50.

The enclosure includes the project description, the call for bids and bid opening date, a tabulation of bids, and financial information. The certified record of receipt of bids and the original bid proposal are also enclosed including addenda to the contract specifications for this project.

The recommended construction contract is necessary to execute a Board-directed and approved Public Works project in support of operational missions. Your Board's approval of the recommended contract award and the subsequent execution of the contract will ensure the timely completion of the project.

### **Implementation of Strategic Plan Goals**

The Countywide Strategic Plan directs the provisions of Operational Effectiveness (Goal 1) and Community and Municipal Services (Goal 3). Awarding this contract will provide improved infrastructure to better serve the public and will enhance the quality of life in the affected communities.

### **FISCAL IMPACT/FINANCING**

The recommended contract amount of \$174,265.50 will have no impact to the County General Fund.

The enclosure includes the amount of the recommended contract as compared with the engineer's estimate and the other bids received.

Funding for this project is included in the Fiscal Year 2009-10 Consolidated Sewer Maintenance District Budget Accumulative Outlay Fund.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The contract agreement will be in the form previously reviewed and approved as to form by County Counsel. The recommended contract was solicited on an open competitive basis and is in accordance with applicable Federal, State, and County requirements. The contractor is in compliance with the Chief Executive Officer's and your Board's requirements.

This contract contains terms and conditions supporting your Board's ordinances, policies, and programs including, but not limited to: the County of Los Angeles' (County) Greater Avenues for Independence and General Relief Opportunities for Work Programs (GAIN and GROW), Board Policy No. 5.050; Contract Language to Assist in Placement of Displaced County Workers, Board Policy No. 5.110; Reporting of Improper Solicitations, Board Policy No. 5.060; Notice to Contract Employees of Newborn Abandonment Law (Safely Surrendered Baby Law), Board Policy No. 5.135; Contractor Employee Jury Service Program, Los Angeles County Code, Chapter 2.203; Notice to Employees Regarding the Federal Earned Income Credit (Federal Income Tax Law, Internal Revenue Service Notice 1015); Contractor Responsibility and Debarment, Los Angeles County Code, Chapter 2.202; the Los Angeles County's Child Support Compliance Program, Los Angeles County Code, Chapter 2.200; and the standard Board directed clauses that provide for contract termination or renegotiation.

The State Public Contract Code requires the County to award construction contracts to a responsible contractor with the lowest responsive bid, which is defined as the firm that: (1) submits the bid with the lowest cost; (2) is deemed by the County to be responsive to specific criteria under the solicitation including, but not limited to, licensure, bonding, and insurance requirements; and (3) is determined by the County to be a responsible bidder by exhibiting the capability, capacity, experience, trustworthiness, and financial wherewithal to perform the work required under the bid solicitation.

To ensure the contract is awarded to a contractor with a satisfactory history of performance, bidders are required to report violations of the False Claims Act, criminal convictions, civil litigation, defaulted contracts with the County, complaints filed with the Contractor's State License Board, labor law/payroll violations, and debarment actions. As provided for in Board Policy No. 5.140, the information reported by the contractor was considered before making this recommendation to award.

The plans and specifications include the contractual provisions, methods, and material requirements necessary for this project and are on file with Public Works.

### **ENVIRONMENTAL DOCUMENTATION**

This project was found to be categorically exempt from the provisions of the California Environmental Quality Act at the time your Board called for bids. The specifics of this finding are included in the enclosure.

### **CONTRACTING PROCESS**

The contract was solicited on an open competitive basis in accordance with the provisions of the State Public Contract Code.

The State Labor Code requires contractors to pay prevailing wage rates to all persons employed on public works construction contracts. These rates are determined by the Department of Industrial Relations and include contributions for fringe benefits such as vacations, pension funds, training, and health plans for each employee.

To further increase contractor awareness of contracting opportunities with Public Works, this project was listed on the County website for upcoming bids.

Public Works will review and approve the Faithful Performance and Payment bonds filed by the contractor.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

This construction contract will result in improved public works infrastructure in the community where the work is scheduled.

### **CONCLUSION**

Please return one adopted copy of this letter to Public Works, Construction Division.

Respectfully submitted,

A handwritten signature in cursive script that reads "Gail Farber".

GAIL FARBER  
Director

GF:JTS:ma

Enclosures

c: Chief Executive Office (Lari Sheehan)  
County Counsel  
Executive Office  
Office of Affirmative Action Compliance

AWARD OF CONTRACT  
April 6, 2010

PROJECT ID NO. SMDACO0116 - ACCUMULATIVE CAPITAL OUTLAY, PROJECT NO. 116, HUMPHREY AVENUE, ET AL. (in the unincorporated community of East Los Angeles), Supervisorial District 1

TYPE OF WORK: Rehabilitation of sanitary sewers.

CALL FOR BIDS DATE: January 12, 2010 (Agenda Item 41)

BID OPENING DATE: February 9, 2010

BID SUMMARY:

Low	RePipe-California, Inc. 5525 East Gibraltar Street Ontario, CA 91764 (909) 291-4050	\$174,265.50
2	Sancon Engineering, Inc.	\$187,876.00
3	Southwest Pipeline & Trenchless Corporation	\$229,182.00
4	S A K Construction of California, L.P.	\$262,988.00

Saeico, Inc., submitted a bid in the amount of \$170,998; however, Saeico, Inc., did not hold a State contractor's license or submit an executed bid bond at the time of bid. Therefore, their bid is considered nonresponsive and rejected as provided in the State Business and Professions, Code 7028.15, and State Public Contract Code, Section 20413.

FINANCIAL INFORMATION:

Amount of estimate	\$207,912.50
Amount of recommended contract	\$174,265.50
Amount of recommended contract below estimate	\$ 33,647.00

The amount of the recommended contract is 16 percent below the estimate.

Sufficient funds to cover the cost of this project are included in the Fiscal Year 2009-10 Consolidated Sewer Maintenance District Budget Accumulative Capital Outlay Fund.

MINORITY/WOMEN-OWNED BUSINESS ENTERPRISE DATA:

RePipe-California, Inc., has no MWBE subcontractors/suppliers under this contract.

ENVIRONMENTAL IMPACT:

On January 12, 2010, Agenda Item 41, your Board found this project categorically exempt from the provisions of the California Environmental Quality Act.

CONSTRUCTION SCHEDULE:

The contract specifications require the work to be completed in 40 working days. It is estimated the work will start in July 2010 and be completed in September 2010.

KA:sc